



WALKER COUNTY DEPARTMENT OF EDUCATION

OFFICE OF SCHOOL FOOD SERVICES

P. O. BOX 29 • LaFAYETTE, GEORGIA 30728
LaFAYETTE: (706) 638-1240 CHATTANOOGA: (615) 267-7054

April 26, 2000

FD2000 Project Coordinator
Food Distribution Division-FNS
3101 Park Center Drive
Ford Avenue Building, Room 601
Alexandria, VA 22302

RE: USDA's Business Process Re-Engineering (BPR) also known as FD 2000 or USDA Proposal for Change

Dear FD2000 Project Coordinator:

As the Coordinator of School Food Services for Walker County Schools I feel it is my responsibility to comment on USDA's Business Process Re-Engineering (BPR) also known as FD 2000 or USDA Proposal for Change. Several parts of the proposal could potentially have a major impact on our local program and I find it necessary to share my concerns with you. After fourteen (14) years as a school food service director I must say I have found that Georgia is ahead of many other states in our nation in regards to USDA Commodity Food Distribution.

Before sharing my thoughts concerning the proposed changes I would like to ask a few questions. Why would Mealtalk and one state's (Colorado) input be the catalyst for such a major overhaul of a working program? Were other states (such as Georgia) surveyed for input? Were local SFA food service directors surveyed? I wasn't and neither were any of my colleagues in Georgia. Was there a nationwide survey? Why was the general membership of the American Commodity Distribution Association (ACDA) not surveyed or allowed to make comment, except for the one State Distributing Agency (SDA) director who published an issue paper based on that state's experiences? Why not determine what does work in other states? Find the successful SDAs who have discovered ways and means to improve the current system. Why is USDA rushing to implement change prior to any change in the Washington administration? It seems to me if there is such a great need for drastic change it would be justified regardless of the administration in Washington.

The proposed changes appear to be an attempt to address complaints of a minority of SFAs. Some of these proposals are excellent ideas and could easily be applied to the current Food Distribution Program to make improvements. Other changes will result in increased food costs at the local level, create food safety concerns, jeopardize the use of American (domestically-produced) foods, and appear to bypass federal regulations and procurement guidelines while supporting private interests. The FDP's purpose is price support/surplus removal of domestic agricultural products while providing nutritious foods to America's children. Let's keep that in mind.

1. Expand the use of long-term contracts

This appears to be a good concept. Why can't long-term contracts be applied to the existing FDP system? A major concern I have is that transferring storage problems to vendors would result in higher costs to SFAs. Vendors do not store items free of charge. There is also the question of slotting fees. Most vendors charge to slot items in their warehouses. I am opposed to any long-term contract that transfers storage problems to vendors and subsequently to us, the end-user.

The proposal also comments on an internet-based ordering system. What does this mean? Who places the orders- states, SFAs, local schools? To whom are the orders placed- vendors, states, or USDA? How does internet-based ordering expand the use of long-term contracts? Who pays for the hardware and software for this ordering method? Where does technical support originate? The idea may work but more information should be provided and more thought involved in this area of change.

2. Test best-value contracting

This is a good concept that could improve the existing Food Distribution Program. I have more questions. How is weighting to determine best value accomplished? How will points be assigned? Will any of this create more paperwork for the local SFA? Will this limit competition? Will small vendors be able to participate? How can commercial packaging make vendors more responsible for product liability and food safety concerns? I disagree with this proposal.

3. Update product specifications

Certain product specification changes could be applied to the current FDP and make improvements now. I am concerned that implications of updating product specifications as detailed in the proposal are uncertain. Currently many of the FDP specifications are higher than the commercial industry. Also, specifications directly impact the nutrient content and the Healthy School Meals Initiative. Beyond conforming to industry pack size I think it appropriate to ask for specific examples of potential specification changes be made available for comment prior to implementing this proposal. Also, will specifications require grading as current commodity foods are now graded?

4. Allow vendors to use commercial labels

I vehemently disagree with this proposal. Only food service personnel actually see the labels on commodity products. It is a misconception that these foods are inferior. Education and communication of the quality of these foods would improve the perception of the current program as well.

Use of commercial labels will create a major problem with accountability due to no differences in commodity versus commercial labeling. Currently we can keep accurate inventory and records because the labels are different. Commercial labeling would create havoc in meeting those mandated recordkeeping requirements. If commercial labels are used how do we effectively and efficiently meet audit requirements? How do we accurately document that commodity foods are used in the program? How can we at the local school and district levels accurately determine the monetary contribution to the meal service if we cannot distinguish commodity versus commercial foods? Will federal regulations be revised to meet this proposal for change?

5. Move toward national umbrella contracts with processors

I agree with this proposal. How do processors respond to this proposal?

6. Expand full substitutability of commodity product

I vehemently oppose this proposal for change. How can we be guaranteed the product we receive is a domestic product not an import? How are we assured of food safety? You have only to look at recent problems with imported beef from England, strawberries from Mexico, etc. How can you guarantee domestic price support/surplus removal if full substitutability is implemented?

Will the SFA or local schools purchase directly from commercial inventories at the processor? How will the planned assistance level be monitored/met? Who will monitor the PAL? How will major concerns with food recalls, food alerts and holds be handled? Who will oversee this responsibility? There are tremendously more commercial food alerts, recalls and holds than there are for USDA commodity foods. Why make things worse? Full substitutability of foods leaves a tremendous supply of schools' foods susceptible to alerts, recalls, and holds.

7. Work with states to test the seamless commodity distribution concept

In my opinion there are too many unknowns to form any conclusion to this proposal. More information is needed. I do not believe this proposal has been thoroughly reviewed and considered. And, there has not been enough detail provided to the public for comment.

8. Facilitate the processing of commodities with limited demand

This is a good concept. Why not apply it to the current food distribution program?

9. Develop written hold and recall procedures

This is an excellent idea. Why not apply it to the current food distribution program?

10. Reduce the duration of product holds at the school level.

This is an excellent idea. Why not apply it to the current food distribution program?

11. Publish commodity recall reimbursement procedures

This is an excellent idea. Why not apply it to the current food distribution program?

12. Provide computer connectivity to the school food authority level

How can USDA accomplish this? There are so many variables for SFAs nationwide. Differences in education and experience levels of SFA personnel vary. Some states such as Georgia require directors to be certificated while others do not. Some SFA directors have no expertise with computers while others do. Some have no access to computers. How will hardware and software concerns be handled? Who funds this? How is training handled? What about technical support?

Are you aware that Georgia already has in place a system that notifies SFA directors of any food alerts, recalls, holds, etc. via group e-mail? Do you know that Georgia SDA determines which SFAs may have some of the particular food items on hand and telephones those SFAs immediately? Will USDA follow Georgia's example for providing timely information?

Did you know that Georgia has online ordering of both group A and group B commodity foods? Have you looked at Georgia as a pilot program? Georgia has a system already in place that has improved the local SFA's input and allowed local concerns to be addressed.

13. Provide a single USDA point of contact

Initially this sounds like a good idea. However, what does it mean? Will we at the local level have only one USDA person to deal with or several for different issues? How will we know whom to contact? Or, is this point of contact for industry, not SFA? How will this affect those of us who have a good working relationship with our SDA and prefer to deal with SDA directly? We get much quicker response from the SDA than ever from USDA. Additionally, you need to consider the variances in education and experience levels of SFA directors and managers if you reach the local school level as well.

14. Work with states and partners to pilot-test improvements

I just became aware that nine pilots are approved or currently in operation at this time. How were they selected? How is the pilot designed? Controls? Baseline data? Purpose? What were the selection criteria? Who are these pilots? Who are the control groups? What are the objectives of the pilots? What are the expected outcomes? Why were we not notified these pilots were to be implemented? Who will evaluate these pilots? Where will the results be published? What is the timeframe for conducting the pilot? Obviously public input was not sought for pilot projects.

15. Other improvements: Facilitate the use of 4/11 funds for commodity purchases; encourage cooperatives; and relax truckload requirements

To relax truckload requirements is an excellent idea. Why not apply it to the current food distribution program?

Using Section 4 and 11 funds shifts procurement from the local levels. Would we at the local level lose control over product specifications? Georgia Section 4 and 11 funds amount to only 46% of cash revenue.

Why does USDA want to encourage cooperatives through FDP instead of the National School Lunch Program procurement training already established? Cooperative purchasing applies to all purchasing we do at the local SFA not just for USDA foods. What is the purpose of cooperatives for USDA food purchases? Who benefits?

16. Streamline paperwork and reporting requirements

Streamlining paperwork and reporting requirements is an excellent idea but please explain how this could happen when other proposed changes appear to require more documentation. I anticipate more paperwork not less if the proposed changes are implemented. It seems there are numerous details missing from most of the proposals to actually discern whether or not paperwork reduction will be realized.

The sixteen (16) proposals identified in the BPR may have good intentions. However, I worry that you are moving too quickly to implement a major overhaul of a program that might best be improved by actually reviewing the current programs in all fifty states. I think you will find that Georgia has a program that works well. Why not take time to review and find some of the best practices already in place before you overhaul an entire program. I have seen tremendous improvement in our state program over the years. Why not investigate and see for yourself?

So much of this proposal has not been available publicly. I respectfully request that once all the April 30 comments are received that USDA tabulate, categorize by the 16 improvement actions, list by comment actually stated, and published for access nationwide. Please do not just file these away and forget our concerns in order to meet an administrative date for benefit of current Washington administration. The future of our children and local SFA is at stake.

I look forward to reading the results of all comments received.

Sincerely,



Theresa Latta
Coordinator of School Food Services